

AMENDMENT OF SOLICITATION/MODIFICATION OF CONTRACT				1. CONTRACT ID CODE	PAGE 1
2. AMENDMENT/MODIFICATION NO. 0001		3. EFFECTIVE DATE 97OCT02		4. REQUISITION/PURCHASE REQ. NO. N/A	
5. PROJECT NO.					
6. ISSUED BY CODE N65236		7. ADMINISTERED BY (If other than Item 6) CODE			
SPAWAR SYSTEMS CENTER, CHARLESTON P.O. BOX 190022 NORTH CHARLESTON, SC 29419-9022 POC: KENDRA BLANKS CODE: 1113KB TELEPHONE: (803) 974-5924					
8. NAME AND ADDRESS OF CONTRACTOR (No., street, county, State and ZIP Code) TO ALL OFFERORS				<input checked="" type="checkbox"/> (X)	9A. AMENDMENT OF SOLICITATION NO.
				<input checked="" type="checkbox"/>	N65236-97-R-0351
				<input type="checkbox"/>	9B. DATED (SEE ITEM 11) 97SEP09
				<input type="checkbox"/>	10A. MODIFICATION OF CONTRACT/ORDER NO.
				<input type="checkbox"/>	10B. DATED (SEE ITEM 13)
CODE		FACILITY CODE			
11. THIS ITEM ONLY APPLIES TO AMENDMENTS OF SOLICITATIONS <input checked="" type="checkbox"/> The above numbered solicitation is amended as set forth in Item 14. The hour and date specified for receipt of Offers <input checked="" type="checkbox"/> is extended, <input type="checkbox"/> is not extended. Offers must acknowledge receipt of this amendment prior to the hour and date specified in the solicitation or as amended, by one of the following methods: (a) By completing Items 8 and 15, and returning <u>1</u> copies of the amendment; (b) By acknowledging receipt of this amendment on each copy of the offer submitted; or (c) By separate letter or telegram which includes a reference to solicitation and amendment numbers. FAILURE OF YOUR ACKNOWLEDGMENT TO BE RECEIVED AT THE PLACE DESIGNATED FOR THE RECEIPT OF OFFERS PRIOR TO THE HOUR AND DATE SPECIFIED MAY RESULT IN REJECTION OF YOUR OFFER. If by virtue of this amendment you desire to change an offer already submitted, such change may be made by telegram, letter, provided each telegram or letter makes reference to the solicitation and this amendment, and is received prior to the opening hour and date specified.					
12. ACCOUNTING AND APPROPRIATION DATA (If required)					
13. THIS ITEM APPLIES ONLY TO MODIFICATIONS OF CONTRACTS/ORDERS, IT MODIFIES THE CONTRACT/ORDER NO. AS DESCRIBED IN ITEM 14.					
<input checked="" type="checkbox"/> (X)	A. THIS CHANGE ORDER IS ISSUED PURSUANT TO: (Specify authority) THE CHANGES SET FORTH IN ITEM 14 ARE MADE IN THE CONTRACT/ORDER NO. IN ITEM 10A.				
<input type="checkbox"/>					
<input type="checkbox"/>	B. THE ABOVE NUMBERED CONTRACT/ORDER IS MODIFIED TO REFLECT THE ADMINISTRATIVE CHANGES (such as changes in payment office, appropriation date, etc.) SET FORTH IN ITEM 14, PURSUANT TO THE AUTHORITY OF FAR 43.103(b).				
<input type="checkbox"/>	C. THIS SUPPLEMENTAL AGREEMENT IS ENTERED INTO PURSUANT TO AUTHORITY OF:				
<input type="checkbox"/>	D. OTHER (Specify type of modification and authority)				
E. IMPORTANT: Contractor <input type="checkbox"/> is not, <input type="checkbox"/> is required to sign this document and return <u>ORIGINAL</u> copies to the issuing office.					
14. DESCRIPTION OF AMENDMENT/MODIFICATION (Organized by UCF section headings, including solicitation/contract subject matter where feasible)					
THE ABOVE REFERENCED SOLICITATION, FOR ENGINEERING SERVICES IN SUPPORT OF SHIPBOARD AND SHIPBOARD SUPPORT APPLICATIONS FOR ALL UNITED STATES AND UNITED STATES SUPPORTED FOREIGN MILITARY SHIPS, IS HEREBY AMENDED AS SET FORTH ON PAGE 2 HEREOF.					
(CONTINUED)					
Except as provided herein, all terms and conditions of the document referenced in Item 9A or 10A, as heretofore changed, remains unchanged and in full force and effect.					
15A. NAME AND TITLE OF SIGNER (Type or print)			16. NAME AND TITLE OF CONTRACTING OFFICER (Type or print)		
15B. CONTRACTOR/OFFEROR			15C. DATE SIGNED		16B. UNITED STATES OF AMERICA BY
(Signature of person authorized to sign)			(Signature of Contracting Officer)		
COMPUTER-GENERATED AT NISE EAST CHARLESTON					
STANDARD FORM 30 (REV. 10-83)					

(1) THE CLOSING DATE SPECIFIED FOR RECEIPT OF OFFERS IS EXTENDED UNTIL 2:00 P.M. EST,
24 OCT 97.

(2) CLAUSE C-943 "FACILITIES LOCATIONS AND REQUIREMENTS," PAGE 20 (C-12), IS MODIFIED TO REFLECT A MINIMUM REQUIREMENT OF 18,000 SQ. FT., AS OPPOSED TO THE ORIGINAL 12,000 SQ. FT. REQUIREMENT. *[A REPLACEMENT PAGE FOR THE SUBJECT SOLICITATION IS ATTACHED, REFLECTING THE REVISED 18,000 SQ. FT. MINIMUM FACILITY REQUIREMENT. CHANGES ARE HIGHLIGHTED WITH CHANGE BARS IN THE MARGINS.]*

(3) CLAUSE I-142, FAR 52.222-42, "STATEMENT OF EQUIVALENT RATES FOR FEDERAL HIRES," PAGE 47 (I-4) IS MODIFIED TO REFLECT REVISED RATES FOR THE FOLLOWING LABOR CATEGORIES: ELECTRONIC TECH. II (\$14.44), DRAFTER IV (\$17.33), AND WORD PROCESSOR II (\$11.39). *[A REPLACEMENT PAGE FOR THE SUBJECT SOLICITATION IS ATTACHED, REFLECTING THE REVISED EQUIVALENT RATES FOR CLAUSE I-142. CHANGES ARE HIGHLIGHTED WITH CHANGE BARS IN THE MARGINS.]*

(4) CLAUSE L-422 "COST MATRIX," PAGES 73 AND 74 (L-3 AND L-4) IS DELETED IN ITS ENTIRETY. *[REPLACEMENT PAGES FOR THE SUBJECT SOLICITATION ARE ATTACHED, SHOWING A STRIKETHROUGH FOR THE DELETED CLAUSE TEXT. THE REFERENCED CLAUSE IS HIGHLIGHTED WITH CHANGE BARS IN THE MARGINS.]*

COST PROPOSALS SHALL BE PREPARED IN ACCORDANCE WITH CLAUSE L-630, "COST PROPOSAL" REQUIREMENTS, PAGES 79-80 (L-9 - L-10).

SPECIAL NOTE:

TO ASSIST OFFERORS IN PREPARING A RESPONSE TO N65236-97-R-0351, ANSWERS TO QUESTIONS SUBMITTED SINCE ISSUANCE OF THE RFP ARE FORWARDED HERewith. IT SHOULD BE NOTED BY ALL OFFERORS THAT THE QUESTIONS AND ANSWERS PROVIDED ARE FOR INFORMATIONAL PURPOSES ONLY AND SHALL NOT QUALIFY THE TERMS OF THE SOLICITATION AND SPECIFICATIONS. THE QUESTIONS AND ANSWERS PROVIDED NEITHER FORM A PART OF THIS AMENDMENT NOR THE SOLICITATION.

THE GOVERNMENT DOES NOT ANTICIPATE NOR ENCOURAGE THE SUBMISSION OF ANY ADDITIONAL QUESTIONS; HOWEVER, IF ANY ADDITIONAL QUESTIONS ARISE AS A RESULT OF THIS RFP, THEY MUST BE SUBMITTED BY 10 OCT 97. THIS MEASURE IS BEING TAKEN TO ENSURE COMPLETION OF THIS ACTION IN A TIMELY AND COST-EFFICIENT MANNER, FOR BOTH POTENTIAL OFFERORS AND THE GOVERNMENT.

C-943 FACILITIES LOCATIONS AND REQUIREMENTS

The nature of the work required by the proposed contract will require close liaison. Therefore, the contractor shall have and maintain a facility, to serve as the principal place of performance for task orders issued under this contract, in the Norfolk, VA commuting area (i.e., Southside). This facility shall be within ½ hour normal, land commuting distance of the Little Creek Site. The close proximity of this facility to NISE East Detachment, Norfolk will help ensure effective and efficient responsiveness. The facility shall meet or exceed the following requirements and capabilities:

| Minimum of 18,000 sq. ft. of combination office, laboratory, and storage space. |

Capability to assemble and solder electronic components, including ESD-sensitive devices, onto printed-wiring boards using approved 2M Micro Miniature Standards.

Capability to fabricate reusable wooden shipping containers, and to pack/package ESD-sensitive components, assemblies, and equipment.

Capability to repair and remove components from printed circuit boards using approved 2M Micro Miniature Standards.

Capability to produce technical documentation (paper and 3-1/2 in. HD floppy disk copies) in Power Point, Excel, WordPerfect version 6.1 or later, and in Microsoft Office 4.3 or later.

Capability to produce paper working copies (Xerox or equivalent) of technical documentation up to 11 x 14 in.

Capability to communicate with Government personnel using CCMail Mobile and the Internet, from various locations, while on travel, to send or receive electronic mail (E-mail).

Warehouse area should be equipped with appropriate warehousing equipment to handle crates, equipment, and large piece part materials.

Laboratory areas should have optical reference monuments for Government Furnished Equipment (GFE) to be optically aligned.

Capability to provide secure controlled storage for piece part materials, to be inventoried and tracked in accordance with an approved Government Property Management Plan.

Capability to provide classroom instruction for up to fifteen (15) students.

Capability to provide for the conformal coating of circuit cards.

Capability to perform precision adjustments and repairs to delicate and sensitive inertial instruments, in a controlled environment. [See DD Form 254 for security requirements.]

The requirement for maintaining these facilities shall not be construed to mean that the Government will be obliged to pay any direct payment in connection with any personnel set in readiness at, or brought to such facility, in preparation or in expectation of work to be performed under the contract. Payment for labor hours and materials will be made only for such hours and materials actually expended in performance under the contract.

(3) To perform tests, industrial processes, laboratory procedures, loading or unloading of transportation conveyances, and operations in flight or afloat that are continuous in nature and cannot reasonably be interrupted or completed otherwise; or

(4) That will result in lower overall costs to the Government.

(b) Any request for estimated overtime premiums that exceeds the amount specified above shall include all estimated overtime for contract completion and shall----

(1) Identify the work unit; e.g., department or section in which the requested overtime will be used, together with present workload, staffing, and other data of the affected unit sufficient to permit the Contracting Officer to evaluate the necessity for the overtime;

(2) Demonstrate the effect that denial of the request will have on the contract delivery or performance schedule;

(3) Identify the extent to which approval of overtime would affect the performance or payments in connection with other Government contracts, together with identification of each affected contract; and

(4) Provide reasons why the required work cannot be performed by using multishift operations or by employing additional personnel.

I-142 FAR 52.222-42 STATEMENT OF EQUIVALENT RATES FOR FEDERAL HIRES (MAY 1989)

In Compliance with the Service Contract Act of 1965, as amended, and the regulations of the Secretary of Labor (29 CFR Part 4), this clause identifies the classes of service employees expected to be employed under the contract and states the wages and fringe benefits payable to each if they were employed by the contracting agency subject to the provisions of 5 U.S.C. 5342 or 5332.

THIS STATEMENT IS FOR INFORMATION ONLY, IT IS NOT A WAGE DETERMINATION.

Employee Class	Monetary Wage - Fringe Benefits
----------------	---------------------------------

<u>Electronics Tech. II</u>	<u>\$14.44</u>
<u>Drafter IV</u>	<u>\$17.33</u>
<u>Technical Writer</u>	<u>\$20.66</u>
<u>Word Processor II</u>	<u>\$11.39</u>
<u>Warehouse Specialist</u>	<u>\$10.93</u>

I-146010 FAR 52.223-14 TOXIC CHEMICAL RELEASE REPORTING (OCT 1996)

(a) Unless otherwise exempt, the contractor, as owner or operator of a facility used in the performance of this contract, shall file by July 1 for the prior calendar year an annual Toxic Chemical Release Inventory Form (Form R) as described in sections 313 (a) and (g) of the Emergency Planning and Community Right-to-Know Act of 1986 (EPCRA) (42 U.S.C. 11023 (a) and (g)), and section 6607 of the Pollution Prevention Act of 1990 (PPA) (42 U.S.C. 13106). The contractor shall file, for each facility subject to the Form R filing and reporting requirements, the annual Form R throughout the life of the contract.

(a) For each category of labor specified by the Government in Section B, the offeror shall identify the corresponding company labor category/categories.

(b) For each company labor category identified, the offeror shall define and specify below the minimum qualifications/experience elements which will be used by the contractor as a basis for assigning personnel for work under the contract.

<u>Company Labor Categories</u>	<u>Minimum Qualifications</u>
_____	_____
_____	_____
_____	_____

L-345 SUP 5252.245-9406 USE OF GOVERNMENT PROPERTY IN OFFEROR'S POSSESSION (JAN 1992)

If the offeror intends to use in the performance of the work required hereunder any Government-owned facilities, special test equipment, or special tooling, it shall so advise in its response hereto and shall include in such response the value of such property, the number of the contract(s) under which such property was acquired, the rental provisions of such contract(s) and such other information as may be relevant. In addition to the above, the offeror shall obtain and then include in its proposal, the written concurrence in its proposed use of the property from the Contracting Officer having cognizance of such property.

L-405 FACILITIES CAPITAL COST OF MONEY

If the offeror proposes facilities capital cost of money as part of his proposed costs, he shall submit a completed DD Form 1861 entitled "Contract Facilities Capital and Cost of Money" and Form CASD-CMF "Facilities Capital, Cost of Money Factors Computation." Documentation supporting the computations shall be submitted with the forms.

~~L-422 COST MATRIX~~

~~—(a) All offerors, including their subcontractors (if any), are to submit the current actual unloaded direct labor rates for all proposed personnel, both resumed and non resumed. If not currently employed, provide the proposed unloaded rate and a letter of commitment signed by the proposed employee stating their proposed unloaded rate. In addition, all offerors, including subcontractors, are to provide the estimated hours per proposed individual and the primary areas of the Statement of Work covered by the proposed individual. The above information shall be submitted in exact accordance with the following matrix:~~

~~EXAMPLE FOR RESUMED PERSONNEL~~

Name		Actual		Est.	%	
of	RFP	Direct		Hours	Total	Area
Indi	Labor	Hourly	Offeror's	Per	Hrs	of
vidual	Category	Rate	Category	Person	Est.	Sow
Bob	Systems	18.20	Analyst I	400	28.5%	2.1.1
Smith	Analyst					2.1.2

~~EXAMPLE FOR NON RESUMED PERSONNEL~~

	Actual		Est.	%	
RFP	Direct		Hours	Total	Area
Labor	Hourly	Offeror's	Per	Hrs	of
Category	Rate	Category	Person	Est.	Sow
Systems	18.20	Analyst I	400	28.5%	2.1.1
Analyst					2.1.2

~~—(b) Do not submit average or composite rates. Current, actual unloaded rates are to be submitted for each individual proposed. Actual hourly rates submitted shall be derived by dividing the proposed individual's actual salary by 2080 hours per year, which is based on a 40 hour work week. Any uncompensated overtime proposed shall be clearly identified in the matrix, and will be evaluated in accordance with the Clause titled Uncompensated Overtime Evaluation in Section M of this solicitation.~~

~~—(c) List the major areas of the Statement of Work (SOW) that will be performed by each individual proposed.~~

~~—(d) All resumed personnel and categories to be utilized in the performance of the proposed contract shall be included in the above matrices. All hours proposed shall be accounted for in the above matrices.~~

L-424 OTHER DIRECT COST

a. The Government's best estimate of Other Direct Cost (ODC) items is set forth below. The Government cannot guarantee either the amount for each category or the total estimated amount. Additionally, these amounts do not include any provision for G&A expense or other loading factors.

<u>Category of ODCs</u>	<u>Total Estimated Amount</u>
1. Material	<u>\$4,995,400.00</u>
2. Travel/Per Diem	<u>\$2,398,640.00</u>
3. Shipping/Repro./ Misc. Incidentals	<u>\$ 399,600.00</u>

b. Offerors shall use the stated amounts in the preparation of their cost proposals, except as stated in paragraph (c) below.

c. If the offeror has reason to believe that the amounts estimated by the Government are understated, the offeror shall notify the Contracting Officer in writing. The offeror shall provide a revised estimate and a detailed basis for the revision(s). If the Government finds the rationale to be sound/compelling, the Government will amend the solicitation accordingly. The same is true if the offeror believes the amount is overstated.

If, based upon the offerors accounting system or disclosure statement, the offeror believes the amounts estimated by the Government are overstated (e.g., an item is included as an element of an indirect expense pool), the offeror may reduce the amount(s). If such a reduction is made, the offeror as part of the initial cost proposal shall provide a detailed explanation/justification to substantiate the reduction. The Government reserves the right to discount any assessment if the basis for the reduction is deemed to be unrealistic or inadequate.

QUESTIONS AND ANSWERS RECEIVED SINCE ISSUANCE OF SOLICITATION NO.: N65236-97-R-0351

PROVIDE ENGINEERING SERVICES IN SUPPORT OF SHIPBOARD AND SHORE APPLICATIONS
FOR ALL UNITED STATES AND UNITED STATES FOREIGN MILITARY SHIPS

QUESTION 1: We understand that the cited solicitation is a recompetition of Contract No. N65236-96-D-3801, held by WR Systems, Inc. *Is that firm eligible to bid on this requirement? What major subcontractor(s), if any, are included on the WR Systems project team? What were the dollar value and level of effort for the most recently completed project year of Contract N65236-96-D-3801?*

ANSWER: To obtain information regarding WR Systems eligibility for 8(a) program participation, interested parties will need to contact the Small Business Administration.

With regard to the additional, requested information cited above, including major subcontractors used by WR Systems, as well as dollar values and the amount of level of effort expended under Contract N65236-96-D-3801, this information would need to be requested, via a written Freedom of Information Act (FOIA) request, to be sent to Naval Command, Control, and Ocean Surveillance Center, In-Service Engineering, East Coast Division (NISE East), FOIA Coordinator, Louis Eggertz (Code OA41LE), P.O. Box 190022, N. Charleston, SC 29419-9022.

QUESTION 2: We understand that WR Systems maintains a facility of approximately 12,000 square feet for the predecessor effort. *Is this facility paid for as a direct cost of Contract N65236-96-D-3801? Can the Government arrange for walk-throughs of this facility? If not, can the Government provide floor plans for the facility as presently configured? What is the address of this facility?*

ANSWER: Facility costs are not paid as direct costs under Contract N65236-96-D-3801, subject costs are charged as indirect costs.

With regard to arranging a walk-through of WR System's facility, this is something that would need to be coordinated directly with WR Systems. The Government cannot set-up or conduct such arrangements. Requests for floor plans, for WR System's facility, may be submitted, via a FOIA request to the address cited in the answer portion of Question 1 above; and, if such documentation was submitted for award under Contract N65236-96-D-3801, and is not considered "proprietary," such information will be released by the FOIA Coordinator.

Again, regarding the request for the address of WR Systems, Inc., this information must be obtained via submittal of a FOIA request to the NISE East FOIA Coordinator, Ms. Louise Eggertz (Code OA41LE).

QUESTION 3: We understand that the proposed contract will be CPFF/IQ in nature, using either term or completion task orders. The Government, however, has established an unusual procedure for determination and payment of the fixed fee amounts. After careful review of Section B, B-106001, we interpret the fee determination process as follows:

- ⌚ Step 1 - Determine burdened costs for all five years exclusive of fee. These include the prime's burdened labor, the burdened labor of any subcontractors, and burdened ODC costs.
- ⌚ Step 2 - Compute the fixed fee pool, by application of proposed fee percentage or basis to all the above costs. The allocation of fee between the prime and subcontractor(s) is a matter for agreement between the parties.

- ⌚ Step 3 - Compute the labor hour fee by dividing the fixed fee pool by the projected 624,800 direct labor hours specified in the solicitation.
- ⌚ Step 4 - Pay fee based on invoices for hours of labor delivered under task orders.

The solicitation provides for fee adjustment under various circumstances.

First, is our understanding of the fee determination and payment process correct? If not, please clarify. Second, as noted above, the procedure outlined above seems unusual. In our opinion, its use will increase contract administration costs for both the Government and the contractor. We are unable to discern any cost savings or economic benefit associated with this approach to fee determination. Can the Government provide us with its rationale for use of this rather complex procedure?

ANSWER: The interpretation for fee determination, as cited above, is incorrect. The process for fee determination shall be as follows: (1) Determine burdened costs for each of the five (5) years (base year and each of the four (4) option years), exclusive of fee. Burdened costs shall include the prime's burdened labor, the burdened labor of any subcontractors, and burdened ODC costs. (2) Compute the fixed fee pool, by application of proposed fee percentage or basis to the above costs, for each of the five (5) years. (Allocation of fee between the prime and subcontractor(s) is a matter for agreement between those parties.) (3) Compute the labor hour fee by dividing the fixed fee pool, for each year, by the projected labor hours for the respective year of effort. (For example, 81,400 hours - base year, 107,800 hours - first option year, 132,000 hours - second option year, 145,200 hours - third option year, and 158,400 hours - fourth option year.) (4) Pay fee based on invoices for hours of labor delivered under task orders.

The process for fee determination, as set forth in Clause B-106001 (and highlighted in the preceding paragraph), is being utilized (and is necessary) to accommodate both term (level-of-effort) and completion type orders. Although most of the task orders issued under the contract, resulting from this solicitation, will be completion type orders, the possibility exists that level-of-effort tasks may also be required.

Completion type orders provide more of an incentive to contractors to remain within the proposed cost. Under completion type orders, if an overrun situation occurs, the Government may increase the estimated cost with no additional fee allocation. However, if an underrun situation occurs, the contractor remains entitled to full payment of the fixed fee specified in the order.

Whereas, under term (level-of-effort) type orders, if additional hours are required, the Government may increase the hours and these hours will be fee bearing. However, in the event fewer hours are actually required (than were put on the order) the Government will decrease the hours by modification, and the fee will be reduced accordingly.

QUESTION 4: Section B, B-119001, defines eleven (11) labor categories to be employed under a contract resulting from this solicitation. It does not, however, provide for a Project Director or Task Order Manager. *We assume that such management staff would be selected from the four (4) labor categories designated as contractually key. Is this correct? Also, if a particular task order, issued under a contract resulting from this solicitation, required one (1) or more labor categories not included in the eleven (11) specified, how would provision be made for such labor categories?*

ANSWER: Prior history has not shown a requirement to include separate labor categories for either a Project Director or Task Order Manager. It is intended that such management staff come under the Senior Systems Analyst labor category.

Requirements for additional labor categories would have to be approved and incorporated into the contract before use of any of the additional categories.

QUESTION 5: Section C, C-1, 1.2, outlines a wide variety of equipment in three (3) categories (speed log systems, navigation systems test equipment, and navigation systems and equipment) on which task order work may be required. *We interpret these requirements for work on these types of equipment to include both work on specific items in our facility and aboard ships in port in the Norfolk area. Is this correct? Also, would project staff be required to travel to other CONUS or foreign locations to perform task order work? If so, to what extent would such travel be required (e.g., number of trips involved, location, duration, work hours expended, and so forth)?*

ANSWER: Services will be performed at the contractor's facility in the Norfolk commuting area (as designated in the facilities requirement paragraph of Section C, paragraph C-943, of the subject solicitation). Work will also be performed at the Government facility at Little Creek Amphibious Base, on ships and shore facilities throughout the Continental United States, and any other locations which the Government may have a need to send the contractor. This could include such overseas areas as Saudi Arabia, Japan, etc. A summary of anticipated travel is set forth below:

BASE YEAR

DESTINATION	NO. OF TRIPS	DURATION
Mayport, FL	17	14 days per trip
San Diego, CA	16	14 days per trip
Pascagoula, MS	13	14 days per trip
Pearl Harbor, HI	13	14 days per trip
Bath, ME	16	14 days per trip
Washington, DC	13	1 day per trip
Saudi Arabia	3	35 days per trip

FIRST OPTION YEAR

DESTINATION	NO. OF TRIPS	DURATION
Mayport, FL	22	14 days per trip
San Diego, CA	22	14 days per trip
Pascagoula, MS	18	14 days per trip
Pearl Harbor, HI	18	14 days per trip
Bath, ME	22	14 days per trip
Washington, DC	19	1 day per trip
Saudi Arabia	4	35 days per trip

SECOND OPTION YEAR

DESTINATION	NO. OF TRIPS	DURATION
Mayport, FL	30	14 days per trip
San Diego, CA	28	14 days per trip
Pascagoula, MS	22	14 days per trip
Pearl Harbor, HI	22	14 days per trip
Bath, ME	28	14 days per trip
Washington, DC	22	1 day per trip
Saudi Arabia	5	35 days per trip

THIRD OPTION YEAR

DESTINATION	NO. OF TRIPS	DURATION
Mayport, FL	33	14 days per trip
San Diego, CA	32	14 days per trip
Pascagoula, MS	25	14 days per trip
Pearl Harbor, HI	26	14 days per trip
Bath, ME	32	14 days per trip
Washington, DC	26	1 day per trip
Saudi Arabia	6	35 days per trip

FOURTH OPTION YEAR

DESTINATION	NO. OF TRIPS	DURATION
Mayport, FL	39	14 days per trip
San Diego, CA	36	14 days per trip
Pascagoula, MS	29	14 days per trip
Pearl Harbor, HI	29	14 days per trip
Bath, ME	36	14 days per trip
Washington, DC	29	1 day per trip
Saudi Arabia	7	35 days per trip

QUESTION 6: We understand that an existing facility under contract N65236-96-D-3801 approximates 12,000 square feet. *Does the Navy consider this facility adequate and satisfactory? Is this facility considered a “Government facility”? What is the lease term?* Based on the potential volume of work which might be possible, we can see the need for additional space and equipment to meet workload surge requirements. *Have delays or problems due to workload surges or peaks been experienced under the existing contract? Can the Government describe such situations?*

ANSWER: The facility under contract N65236-96-D-3801 has been adequate for work required under the existing contract. No delays or problems have been experienced under the existing contract; however, with newly projected support requirements, it has been determined that an additional 6,000 square feet will be required, to provide required surge capability. [Reference Amendment 0001 to the subject solicitation, facility requirements have been modified to require an additional 6,000 square feet.]

The existing facility, under contract N65236-96-D-3801, is not considered a Government facility.

In regard to the lease term for the required facility, per facility requirements, set forth in Section C, paragraph C-943, of the subject solicitation, the contractor shall have and maintain a facility.....within ½ hour normal, land commuting distance of the Little Creek Site. Contractors located outside the ½ hour normal, land commuting distance shall submit a letter of intent to establish a facility within the specified radius. The letter of intent must state the offeror’s anticipated date (days after contract award) for such facility, etc. In other words, the contractor is required to maintain the required facility throughout the duration of the contract, which will result from this solicitation.

QUESTION 7: Section H, H-648001, states that “...costs of subsistence and lodging shall be considered to be a reasonable and allowable daily charge as compared to the maximum rates...” (p. H-8) set forth in the FTR, JTR, or Standardized Regulations, Section 925 (Department of State). Our established travel

policy provides for the reimbursement of reasonable and necessary expenses of travel and subsistence (meals and lodging), not to exceed established GSA maximums (CONUS). This conforms to the reimbursement limits specified in Section H, H-648001. The subject section, however, appears to dictate means and mode of travel, in addition to setting reimbursement limits. *Under our policy, if an individual chose to travel by First Class air and paid for same, that individual would be reimbursed, and the client charged, only for coach rates. Does this conflict with the Government's requirements? Please clarify.*

ANSWER: Section H, paragraph H-648001, states that "reimbursement for the costs of subsistence and lodging shall be considered to be a reasonable and allowable daily charge as compared to the maximum rates set forth in the (a) Federal Travel Regulation (for travel in the contiguous United States); (b) Joint Travel Regulations (for travel in Alaska, Hawaii, and possessions of the United States); and (c) Standardized Regulations Maximum Travel Per Diem Allowances in Foreign Areas (for travel areas not covered in (a) and (b) above." However, it is also stated, with paragraph H-648001, that the "contractor agrees, in the performance of necessary travel, to use the lowest cost mode commensurate with the requirements of the mission and in accordance with good traffic management principles. When it is necessary to use air or rail travel, the contractor agrees to use coach, tourist class, or similar accommodations to the extent consistent with the successful and economical accomplishment of the mission for which the travel is being performed. Documentation must be provided to substantiate non-availability of coach or tourist if business or first class is proposed to accomplish travel requirements."

Contractors may choose to travel by First Class, but they must be aware that the terms of the solicitation, and resulting contract, will preclude reimbursement of such costs by the Government, except in those instances where documentation is provided to substantiate non-availability of coach or tourist accommodations.

QUESTION 8: Section I, I-142, provides the equivalent rates and fringe benefits that would be applicable to SCA covered individuals were they employed by the contracting agency (i.e., NISE East). We understand these equivalent rates are not wage determined. We note, however, that there are substantial and material variances between the Section I, I-142, equivalent rates and the Department of Labor WD rates. This is depicted in the table below:

Table 1 Rate Comparison

SCA Covered Labor Categories	Sect. I-142 Rates	SCA/WD Rates
Electronic Tech. II	\$13.40	\$14.31
Drafter IV	\$13.96	\$17.30
Technical Writer	\$20.66	\$15.02
Word Processor II	\$10.06	\$11.27
Warehouse Specialist	\$10.93	\$10.54

As the SCA wage determined rates are not inclusive of fringe benefits, it is clear that these rates are markedly more expensive in the majority of cases than the Government equivalent rates. *Can the Government explain the discrepancies noted? Is one of these sets of data incorrect? Please clarify.*

ANSWER: Review of the equivalent rates, as initially set forth in Clause I-142 at the time the solicitation was issued, indicated that the rates set forth for three (3) of the labor categories are incorrect, including: Electronic Tech. II, Drafter IV, and Word Processor II. As noted on page 2, of Amendment 0001 to the subject solicitation, Clause I-142 FAR 52.222-42 "Statement of Equivalent Rates for Federal Hires," is modified to reflect revised rates for the subject labor categories, as follows: Electronic Tech. II - \$14.44, Drafter IV - \$17.33, and Word Processor II - \$11.39.

QUESTION 9: Section L, L-422, requires submission of a "cost matrix" for direct labor rates of both individuals proposed by name (i.e., the sixteen key personnel) and for the labor categories set forth in Section B, B-106001. Section L, L-422 (b), however, states that the offeror shall not "...submit average or composite rates" (p. L-4). *For labor categories in which no resumes are required, what rates are to be used?* Because this project is to be based on the issuance of Task Orders, there is no basis for projecting the exact individuals to be used over the life of the contract. Moreover, the level of effort provided in Section B, B-106001, does not translate to an exact number of personnel required. For example, the level of effort provided for the labor category "Electronics Tech. IV" is 8,000 directly charged regular work hours, exclusive of overtime. Since an individual can charge about 1,920 direct hours per year, this amounts to about (8,000/1,920=) 4.167 full time equivalents. This would equate to three (3) or four (4) full time individuals plus any number of part time personnel. Our normal practice in such circumstances is to use the average salary of all currently employed personnel in the equivalent corporate labor categories, as we cannot predict the specific individual(s) to be used. *If such averages may not be used for the total hours not covered by resumed personnel, can the Government reconcile the requirement for a cost matrix for all labor categories with the prohibition of the use of average labor rates? We infer from this paragraph that we should select a specific individual from our staff, otherwise unnamed, and use that individual's putative hourly rate in the cost matrix. Is this interpretation correct? It seems to us to be inaccurate and misleading. Please clarify.*

ANSWER: As noted on page 2, of Amendment 0001 to the subject solicitation, Clause L-422 "Cost Matrix" is deleted in its entirety. Cost proposals shall be prepared in accordance with Clause L-630, "Cost Proposal" requirements, pages L-9 and L-10 of the solicitation, which allows use of average or composite rates.

As set forth on page L-10, for each labor category specified in Section B (base year and each option year), the cost breakdown should contain the "Base Wage Rate," including information on how composite rates are developed. [See clause L-630 for a complete listing of Cost Proposal requirements.]

QUESTION 10: In Section L, L-630, Page L-10, the solicitation states that, "the offeror shall provide letter of commitment from its CURRENT employees that they will remain employed by the offeror and will work on the resulting contract...if awarded to the offeror." We are unable to understand the purpose

of such a letter of commitment. First, because the Government requires it, such a letter could be construed as creating the appearance of an employer-employee relationship between the Government and the individual. Second, such letters would have no particular legal enforceability. Any individual is completely free to leave the employ of any firm at any time for any (or no) reason. *What is the Government's reasoning in requiring such letters from current employees? Would the Government intend to impose sanctions on the contractor if current employees chose to leave after contract award? Would the Government expect us to attempt to impose any form of sanctions on employees who chose to leave?*

ANSWER: Letters of Commitment for both CURRENT and CONTINGENT employees are required, as assurance to the Government that the contractor actually intends to use the proposed individuals, whose resumes are submitted, for work to be performed under the contract resulting from this solicitation. The requirement for such Letters of Commitment is not meant to imply an employer-employee relationship between the Government and the individual. It is not the intent of the Government to establish a personal services contract. In fact, the subject solicitation and resultant contract will in no aspect be considered a personal services contract. Accordingly, the Government would neither impose sanctions on the contractor, nor expect the contractor to impose any form of sanction on employees, in the event employees choose to leave the employ of the contractor.

However, (in accordance with Clause L-630 of the solicitation, "Business Proposal Content," paragraph (2)), prior to contract award, offerors are reminded that Letters of Commitment must be current, and offerors are responsible for conforming their offer to reflect changes in the status of any contingency hire or current employee, which makes his/her prior commitment suspect (i.e., death, illness, relocation, acceptance of other employment, etc.). And (in accordance with Clause L-631 of the solicitation, Other Factors Proposal, Contents, paragraph (d) "Evaluation Criteria"), after contract award, resumes for all additional personnel in the key labor categories must be submitted for approval by the Government, before that employee can work under the contract.

QUESTION 11: *May the lease cost of the required facility be charged directly to the Government under the Category Other Direct Costs?* The solicitation appears to be silent on this point.

ANSWER: No, the lease cost for the required facility may not be charged as Other Direct Costs. Subject costs shall be charged as indirect costs, to be included in the proposed labor rates.

QUESTION 12: Page L-14 and 15. *Does the final page of the resume, containing ONLY the employee signature and which is to be retained by the offeror, count in the 3 page limit for each resume?*

ANSWER: No, the three (3) page resume limit does not include the employee signature page. Resumes can be three (3) pages in length in addition to the signature page.

QUESTION 13: Pages L-8 and L-9 specify headers such as TAB A, TAB B, etc. under each volume. Page L-12 and following pages specify Section I, Section II, etc. as the headers under Volume I. *Please Clarify.*

ANSWER: Information on pages L-8 and L-9 specify how the proposal should be indexed or "tabbed" (e.g., TAB A, TAB B, etc). Whereas, the information on page L-12 specifies how the different sections, under each TAB, should be titled (e.g., TAB A, Section I - Program Understanding Technical Approach; TAB B, Section II - Personnel Qualifications; TAB C, Section III - Program Management Plan, etc...).

QUESTION 13: Page 73, L-422 Cost Matrix states contractors are to "_____submit the current actual unloaded direct labor rate for all proposed personnel both resumed and non-resumed." This statement is contradictory since this is a Wage Determined Solicitation. *Please clarify whether we should be using the DOL rates or will you be deleting the DOL requirement?*

ANSWER: Reference the answer portion to Question 9 above. Note that, as reflected on page 2, of Amendment 0001 to the subject solicitation, Clause L-422 “Cost Matrix” is deleted in its entirety. Cost proposals shall be prepared in accordance with Clause L-630, “Cost Proposal” requirements, pages L-9 and L-10 of the solicitation.

Rates proposed for labor categories covered by the Service Contract Act (SCA) shall be consistent with the Department of Labor required rates reflected in the applicable Wage Determination (Attachment 05 of the subject solicitation).